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TAGS: [PREL](#) [PGOV](#) [MOPS](#) [ID](#) [MY](#)  
SUBJECT: BORNEO MARITIME TERRITORIAL DISPUTE TESTS  
INDONESIAN-MALAYSIAN TIES

Classified By: Pol/C Joseph L. Novak, reasons 1.4(b+d).

[¶1.](#) (C) SUMMARY: The GOI has called for renewed talks with Malaysia about a long-standing maritime border dispute over a region located off of eastern Borneo Island (Indonesian Kalimantan). Malaysian naval vessels reportedly recently entered disputed waters in the region before backing off. Bilateral negotiations over the status of the oil and gas-rich region last took place in April 2008. The recent incidents have received widespread press attention and sparked a bit of a nationalist reaction in Indonesia. The dispute, so far, has had little impact on the texture of Indonesian-Malaysian relations which remain positive. END SUMMARY.

#### INCIDENTS OFF OF BORNEO

[¶2.](#) (U) A maritime boundary dispute is in the news in Indonesia. On May 25 and 30, Malaysian naval vessels reportedly entered disputed waters located off of eastern Borneo Island without responding to initial Indonesian navy attempts to communicate. Challenged by Indonesian naval patrol boats, the Malaysian vessels eventually backed off, according to the GOI version of events.

[¶3.](#) (U) The incidents took place in the disputed oil and gas-rich region of Ambalat, which is located off of Indonesia's East Kalimantan Province ("Kalimantan" is the term that Indonesians use for Borneo). Indonesian Armed Forces (TNI) Commander General Djoko Santoso asserted that the Malaysian Navy had illegally entered Indonesian waters ten times since January. He claimed that such incursions had occurred regularly in recent years.

[¶4.](#) (SBU) Domestic press reports that the Indonesian Navy was on the brink of firing at the Malaysian ships were blown way out of proportion, from what we understand. Indonesian and Malaysian Armed Forces appear to have adhered to their agreed upon standard procedures for such encounters. A senior Indonesian Foreign Ministry official said the incidents were exaggerated in the domestic press because it is an election year: the issue of territorial integrity and protecting Indonesian sovereignty over its thousands of small islands is always a political issue here.

#### A LONG-STANDING DISPUTE

[¶5.](#) (SBU) Maritime territories near East Kalimantan have been disputed since at least 1967. In 2002, international courts awarded the islands of Sipidan and Ligitan, located just north of Ambalat, to Malaysia. Indonesian officials admit that both countries have solid bases for their claims to

Ambalat--and the reported high oil and gas resources within the 15 square kilometer territory mean that neither side will likely back down soon.

#### SEEKING A DIPLOMATIC SOLUTION

¶6. (C) The GOI has sought to keep the situation in perspective. TNI chief Santoso called on the governments of both countries to find a diplomatic solution to the border issue. A Foreign Ministry official announced that Indonesia would raise the Ambalat issue with Malaysia again soon. Intermittent talks over the disputed region have gone on for several years, with the most recent set wrapping up inconclusively in April 2008. Recent incidents appear to have had little impact on overall Indonesian-Malaysian relations, so far. That said, given that it is an election year, continuing incidents in the region could spark Indonesian tempers.

HUME